

**REMARKS**

Claims 1-18 and 21 are pending in this application. Reconsideration is requested based on the following remarks.

**Certified Priority Document:**

The present application claims priority to Japanese Patent Application 11-302603, filed October 25, 1999, and Japanese Patent Application 11-054858, filed March 3, 1999. Certified copies of both Japanese Patent Application 11-302603 and Japanese Patent Application 11-054858 were submitted to the Office on February 11, 2000. Although the Form PTOL-326 accompanying the Office Action mailed August 27, 2003 acknowledged receipt of the certified copies of the priority documents, the Form PTOL-326 accompanying this Office Action mailed July 14, 2005 does not. Acknowledgement of receipt of the certified copies of Japanese Patent Application 11-302603 and Japanese Patent Application 11-054858 is requested with the next communication from the Office.

**Claim Rejections - 35 U.S.C. § 112:**

Claims 1-18 and 21 were rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement. The rejection is traversed.

The Office Action appears to be looking for literal support for the language used in the claims in the specification. To the contrary, the disclosure as originally filed does not have to provide verbatim support for the claimed subject matter at issue in order to satisfy the written description requirement. See Fujikawa v. Wattanasin, 93 F.3d 1559, 1570, 39 USPQ2d 1895, 1904 (Fed. Cir. 1996). Instead, "the written description requirement is satisfied by the patentee's disclosure of 'such descriptive means as words, structures, figures, diagrams, formulas, etc., that fully set forth the claimed invention.'" Lockwood v. American Airlines, Inc., 107 F.3d 1565, 1572, 41 USPQ2d 1961, 1966 (Fed. Cir. 1997).

Put another way, one skilled in the art, reading the original disclosure, must reasonably discern the limitation at issue in the claims. Waldemar Link GmbH & Co. v. Osteonics Corp., 32 F.3d 556, 558, 31 USPQ2d 1855, 1857 (Fed. Cir. 1994). As quoted in MPEP § 2163, in Vas Cath Inc. v. Mahurkar, 935 F.2d 1555, 1561, 19 USPQ2d 1111, 1116 (Fed. Cir. 1991), the Federal Circuit held that "under proper circumstances, drawings alone may provide a 'written description' of an invention as required by § 112." 935 F.2d at 1565, 19 USPQ2d at 1118.

Drawings constitute an adequate description if they describe what is claimed and convey to those of skill in the art that the patentee actually invented what is claimed. *Id.* at 1566, 19 USPQ2d at 1119. In Vas-Cath, the Federal Circuit reversed the district court's grant of summary judgment of invalidity of claims to a double lumen catheter having a combination of features. Specifically, the Vas-Cath court determined that drawings alone of a double lumen catheter from a parent design patent application provided sufficient written description to support claims directed to a catheter having a "return lumen diameter substantially less than 1.0 but substantially greater than 0.5 times the diameter of the combined lumens." *Id.* at 1566, 19 USPQ2d at 1119. In doing so, the court stated, "[c]onsideration of what the drawings conveyed to persons of ordinary skill in the art is essential." *Id.* The court concluded that the drawings conveyed with reasonable clarity to those of ordinary skill in the art that the patentee had invented the catheter recited in the claims.

The subject matter of claims 1-18 and 21 is set forth, inter alia at page 9, line 23 to page 10, line 17, page 11, lines 8-19, page 12, line 5 to page 16, line 16, and shown in Figs. 1, 6, 7, 8, 13, and 17-19 of the specification as filed originally. Claims 1-18 and 21 are thus submitted to meet the requirements of 35 U.S.C. § 112, first paragraph. Withdrawal of the rejection is earnestly solicited.

**Claim Rejections - 35 U.S.C. § 103:**

Claims 1, 2, 3, 5, 7-12, 14, 16, 17, 18 and 21 were rejected under 35 U.S.C. § 103 as being unpatentable over Himmelstein US 2002/0032643 (hereinafter "Himmelstein") in view of Lupien et al. US 6,012,046 (hereinafter "Lupien") and PR Newswire, "5<sup>th</sup> Market to Establish New ECN for Derivatives Trading in Early 2000; 5<sup>th</sup> Market Announces Completion of Equity Financing, New York; Aug. 27, 1999 (hereinafter "PR-Newswire"). The rejection is traversed. Reconsideration is earnestly solicited.

The present application, as discussed above, claims priority to Japanese Patent Application 11-302603, filed October 25, 1999, and Japanese Patent Application 11-054858, filed March 3, 1999. PR-Newswire, on the other hand, has an earliest publication date of August 27, 1999. Thus Japanese Patent Application 11-054858, at least, pre-dates PR-Newswire. PR-Newswire is thus submitted to be not a valid reference under any patent statute with respect to the present application. Withdrawal of PR-Newswire is requested respectfully.

Himmelstein, similarly, claims priority to U.S. Provisional Patent Application No. 60/161,318, filed Oct. 25, 1999; U.S. Provisional Patent Application No. 60/153,142, filed Sep. 9,

1999; and U.S. Provisional Patent Application No. 60/147,243, filed Aug. 5, 1999, none of which pre-date Japanese Patent Application 11-054858, filed March 3, 1999. Himmelstein is thus submitted to be not a valid reference under any patent statute with respect to the present application as well. Withdrawal of Himmelstein is requested respectfully.

In any case, claim 1 recites,

"A chain order."

Neither Himmelstein, Lupien, nor PR Newswire teach, disclose, or suggest a chain order, as recited in claim 1. The Office Action acknowledges graciously at page 5 that Himmelstein shows no chain order, and seeks to ameliorate this deficiency of Himmelstein by combining Himmelstein with Lupien and PR Newswire. Neither Lupien and PR Newswire show chain orders either, and thus cannot make up for the deficiencies of Himmelstein with respect to claim 1.

Lupien, in particular, discusses no chain order, contrary to the assertion at page 5 of the Office Action. As Lupien, rather, describes in the Abstract,

A crossing network that matches buy and sell orders based upon a satisfaction and quantity profile is disclosed. The crossing network includes a number of trader terminals that can be used for entering orders. The orders are entered in the form of a satisfaction density profile that represents a degree of satisfaction to trade a particular instrument at various (price, quantity) combinations. Typically, each order is either a buy order or a sell order. The trader terminals are coupled to a matching controller computer. The matching controller computer can receive as input the satisfaction density profiles entered at each one of the trading terminals. The matching controller computer matches orders (as represented by each trader's satisfaction density profile) so that each trader is assured that the overall outcome of the process (in terms of average price and size of fill) has maximized the mutual satisfaction of all traders. Typically, the matching process is anonymous. The matching process can be continuous or a batch process, or a hybrid of the two. Unmatched satisfaction density profiles can be used to provide spread and pricing information. Factors other than price and quantity also may be used to determine the degree of satisfaction.

Lupien, here, seeks to maximize the mutual satisfaction of all traders. To this purpose, Lupien enters orders in the form of a satisfaction density profile that represents a degree of satisfaction to trade a particular instrument at various (price, quantity) combinations. Lupien thus executes trades if they satisfy traders.

Chain orders, on the other hand, are self-executing. A chain order will execute when a condition is met, whether or not it *satisfies* the trader. A chain order to, for example, sell your house if someone buys your car may look like a great idea on Monday, but then on Tuesday, due

to an abrupt change of market conditions or personal circumstances, selling your house may turn out to have been a lousy idea.

Maybe you don't want to move after all. Maybe you broke both of your legs. Maybe you found out there was pirate treasure buried in the back yard. Too bad, your house will be sold on Tuesday anyway if the condition, i.e. someone buys your car, is met. This is to be contrasted with Lupien, which seeks to make trades with which traders are satisfied, i.e. happy. There is no provision for happiness among traders in a chain order.

Similarly, as Lupien describes at column 1, lines 9-15,

The present invention is directed to an automated crossing network (also known as a matching system) for trading instruments, and in particular, a continuous crossing network that matches buy and sell orders based upon a satisfaction and size profile and that can output price discovery information.

Chain orders are self-executing, as discussed above. Since Lupien, on the other hand, matches buy and sell orders based upon a satisfaction and size profile, Lupien shows no chain orders.

Similarly, as Lupien describes at column 2, lines 49-54,

Crossing networks that automatically match buy and sell orders often concentrate trading at a single point of time, and can be called a batch process matching system. There is a need, however, for an anonymous crossing network that continuously, and in real-time, satisfies the buying and selling desires of an arbitrary number of market participants.

Chain orders are self-executing, as discussed above. Since Lupien, on the other hand, seeks to satisfy the buying and selling desires of an arbitrary number of market participants, Lupien shows no chain orders.

Similarly, as Lupien describes at column 3, lines 26-39,

Typically, existing crossing networks allow discrete buy or sell orders to be entered, e.g., "sell 10,000 IBM at 64." However, as stated above many traders, particularly institutional traders, wish to deal in baskets of securities, so that, for example, a portfolio is as far as possible, "balanced." Existing crossing networks do not easily allow traders to enter combinations of orders, such as "sell 10,000 IBM at 64 only if I can buy 20,000 DEC at 32". Furthermore, existing crossing networks do not allow traders to enter combinations of orders, such as "sell 10,000 IBM at 64 or sell 100,000 IBM at 63." Traders often have trading strategies such as, for example, "buy 3,000 IBM at 63, but if I can buy 5,000, I would be prepared to pay 63 and 1/2", that cannot be handled by existing crossing networks.

Chain orders are self-executing, as discussed above. Since Lupien, on the other hand, seeks to allow traders to enter combinations of orders, such as "sell 10,000 IBM at 64 only if I can buy 20,000 DEC at 32", Lupien shows no chain orders. Speculating about what action one might take, i.e. "sell 10,000 IBM at 64," in the event a future opportunity, i.e. "if I *can* buy 20,000 DEC at 32," comes to pass is not a chain order.

Similarly, "buy 3,000 IBM at 63, but if I can buy 5,000, I would be prepared to pay 63 and 1/2", only expresses the price the buyer *feels* willing to pay, not a chain order. Lupien is all about emotions, i.e. how traders *feel*. That's why Lupien matches buy and sell orders based upon a satisfaction and size profile, as described at column 1, lines 12 and 13. Lupien wants nothing to do with chain orders, since they might make traders *feel* badly by executing before the trader who set them up has a chance to consider how they make him feel.

PR Newswire, similarly, shows no chain order either, contrary to the assertion at page 5 of the Office Action. PR Newswire, rather, merely mentions, "Among its unique features is the application's ability to handle orders contingent on the purchase or sale of other securities," without explaining how orders contingent on the purchase or sale of other securities are actually handled.

To serve as an anticipating reference, the reference must enable that which it is asserted to anticipate.

"A claimed invention cannot be anticipated by a prior art reference if the allegedly anticipatory disclosures cited as prior art are not enabled." Amgen, Inc. v. Hoechst Marion Roussel, Inc., 314 F.3d 1313, 1354, 65 USPQ2d 1385, 1416 (Fed. Cir. 2003). See Bristol-Myers Squibb v. Ben Venue Laboratories, Inc., 246 F.3d 1368, 1374, 58 USPQ2d 1508, 1512 (Fed. Cir. 2001) ("To anticipate the reference must also enable one of skill in the art to make and use the claimed invention."); PPG Industries, Inc. v. Guardian Industries Corp., 75 F.3d 1558, 1566, 37 USPQ2d 1618, 1624 (Fed. Cir. 1996) ("To anticipate a claim, a reference must disclose every element of the challenged claim and enable one skilled in the art to make the anticipating subject matter."). Elan Pharmaceuticals Inc. v. Mayo Foundation for Medical Education and Research, 68 USPQ2d 1373 (CAFC 2003).

Since PR Newswire merely mentions the ability to handle orders contingent on the purchase or sale of other securities, but does not teach persons of skill in the art how to handle orders contingent on the purchase or sale of other securities, PR Newswire cannot be enabling within the provisions of 35 U.S.C. § 112, first paragraph. Since PR Newswire cannot enable chain orders, PR Newswire cannot anticipate chain orders. Thus, PR Newswire shows no chain

order either, and so even if Himmelstein, Lupien, and PR Newswire were combined as proposed in the Office Action, the claimed invention would not result.

Furthermore, the Office Action provides no motivation or suggestion to combine the teachings of Himmelstein, Lupien, and PR Newswire as required by 35 U.S.C. § 103(a) and the M.P.E.P. §706.02(j)(D), beyond asserting at page 5 that,

"It would have been obvious a the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Himmelstein and add contingent orders (or chain order) and conditional execution, as disclosed by Lupien and PR-Newswire, to provide an automatic trading system which is capable of handling logical conditional orders (for example: if that happens than do the other)."

Contingent orders and conditional orders mean substantially the same thing. The motivation cited in the Office Action amounts to asserting that it would have been obvious to add contingent orders and conditional execution so that there would have been conditional (or contingent) orders. This motivation is submitted respectfully to be circular. To the contrary, there is no teaching or suggestion in any of the cited references tending support the combination proposed in the Office Action.

Finally, M.P.E.P. § 2143.01 prohibits a proposed modification that renders a reference unsatisfactory for its intended purpose. In particular, as described in Himmelstein at paragraph [0008],

Criteria such as the Himmelstein Option having barter date ranges (i.e. date upon which the actual ownership of the barter items changes hands) and value ranges add to the flexibility of the system. The flexibility in timing utilizing the Himmelstein Option facilitates the ability to potentially defer adverse tax consequences and to defer the creation of taxable events.

Here, the purpose of Himmelstein is to potentially defer adverse tax consequences and to defer the creation of taxable events by offering flexibility in timing the dates at which ownership of bartered items change hands. Since a chain order, as discussed above, is self executing, the timing of the chain order will not be conducive to control by the trader, and there will thus be no potential to defer the adverse tax consequences and the creation of taxable events with which Himmelstein is concerned.

If, for example, the sale of your house is contingent on someone buying your car, your house will sell when someone buys your car even if, for tax purposes, you'd have been better off waiting until next year to sell your house. The modification proposed by the Office Action thus

renders Himmelstein unsatisfactory for its intended purpose of deferring adverse tax consequences and the creation of taxable events.

It is submitted, therefore, that persons of ordinary skill in the art who read Himmelstein for all it contained at the time the invention was made would have been deterred from modifying Himmelstein as proposed in the Office Action, since it would have rendered Himmelstein unsatisfactory for its intended purpose of deferring adverse tax consequences and deferring the creation of taxable events. Claim 1 is submitted to be allowable. Withdrawal of the rejection of claim 1 is earnestly solicited.

Claims 2, 3, 5, 7, and 8 depend from claim 1 and add additional distinguishing elements. Claims 2, 3, 5, 7, and 8 are thus also submitted to be allowable. Withdrawal of the rejection of claims 2, 3, 5, 7, and 8 is earnestly solicited.

Claim 9:

Claim 9 recites,

"A chain order."

Neither Himmelstein, Lupien, nor PR Newswire teach, disclose, or suggest a chain order, as discussed above with respect to the rejection of claim 1. Thus, even if Himmelstein, Lupien, and PR Newswire were combined as proposed in the Office Action, the claimed invention would not result.

Furthermore, persons of ordinary skill in the art who read Himmelstein for all it contained at the time the invention was made would have been deterred from modifying Himmelstein as proposed in the Office Action, as also discussed above with respect to the rejection of claim 1.

Finally, the modification of Himmelstein proposed by the Office Action renders Himmelstein unsatisfactory for its intended purpose of deferring adverse tax consequences and the creation of taxable events, and ought to be withdrawn, as also discussed above with respect to the rejection of claim 1. Claim 9 is submitted to be allowable, for at least those reasons discussed above with respect to the rejection of claim 1. Withdrawal of the rejection of claim 9 is earnestly solicited.

Claims 10, 11, 12, 14, 16, and 17:

Claim 10 recites,

"A chain order."

Neither Himmelstein, Lupien, nor PR Newswire teach, disclose, or suggest a chain order, as discussed above with respect to the rejection of claim 1. Thus, even if Himmelstein, Lupien, and PR Newswire were combined as proposed in the Office Action, the claimed invention would not result.

Furthermore, persons of ordinary skill in the art who read Himmelstein for all it contained at the time the invention was made would have been deterred from modifying Himmelstein as proposed in the Office Action, as also discussed above with respect to the rejection of claim 1.

Finally, the modification of Himmelstein proposed by the Office Action renders Himmelstein unsatisfactory for its intended purpose of deferring adverse tax consequences and the creation of taxable events, and ought to be withdrawn, as also discussed above with respect to the rejection of claim 1. Claim 10 is submitted to be allowable, for at least those reasons discussed above with respect to the rejection of claim 1. Withdrawal of the rejection of claim 10 is earnestly solicited.

Claims 11, 12, 14, 16, and 17 depend from claim 10 and add additional distinguishing elements. Claims 11, 12, 14, 16, and 17 are thus also submitted to be allowable. Withdrawal of the rejection of claims 11, 12, 14, 16, and 17 is earnestly solicited.

Claim 18:

Claim 18 recites,

"A chain order."

Neither Himmelstein, Lupien, nor PR Newswire teach, disclose, or suggest a chain order, as discussed above with respect to the rejection of claim 1. Thus, even if Himmelstein, Lupien, and PR Newswire were combined as proposed in the Office Action, the claimed invention would not result.

Furthermore, persons of ordinary skill in the art who read Himmelstein for all it contained at the time the invention was made would have been deterred from modifying Himmelstein as proposed in the Office Action, as also discussed above with respect to the rejection of claim 1.

Finally, the modification of Himmelstein proposed by the Office Action renders Himmelstein unsatisfactory for its intended purpose of deferring adverse tax consequences and the creation of taxable events, and ought to be withdrawn, as also discussed above with respect to the rejection of claim 1. Claim 18 is submitted to be allowable, for at least those reasons



discussed above with respect to the rejection of claim 1. Withdrawal of the rejection of claim 18 is earnestly solicited.

Claim 21:

Claim 21 recites,

"A chain order."

Neither Himmelstein, Lupien, nor PR Newswire teach, disclose, or suggest a chain order, as discussed above with respect to the rejection of claim 1. Thus, even if Himmelstein, Lupien, and PR Newswire were combined as proposed in the Office Action, the claimed invention would not result.

Furthermore, persons of ordinary skill in the art who read Himmelstein for all it contained at the time the invention was made would have been deterred from modifying Himmelstein as proposed in the Office Action, as also discussed above with respect to the rejection of claim 1.

Finally, the modification of Himmelstein proposed by the Office Action renders Himmelstein unsatisfactory for its intended purpose of deferring adverse tax consequences and the creation of taxable events, and ought to be withdrawn, as also discussed above with respect to the rejection of claim 1. Claim 21 is submitted to be allowable, for at least those reasons discussed above with respect to the rejection of claim 1. Withdrawal of the rejection of claim 21 is earnestly solicited.

Claims 4, 6, 13, and 15:

Claims 4, 6, 13, and 15 were rejected under 35 U.S.C. § 103 as being unpatentable over Himmelstein, Lupien, and PR Newswire, and further in view of Nymeyer, US 3,581,072 (hereinafter "Nymeyer"). The rejection is traversed. Reconsideration is earnestly solicited.

Claims 4, 6, 13, and 15 depend from claims 1 or 10 and add additional distinguishing elements. Neither Himmelstein, Lupien, nor PR Newswire teach, disclose, or suggest a chain order, as discussed above with respect to the rejection of claim 1. Nymeyer does not either, and thus cannot make up for the deficiencies of either Himmelstein, Lupien, or PR Newswire with respect to claims 4, 6, 13, and 15. Thus, even if Himmelstein, Lupien, PR Newswire, and Nymeyer were combined as proposed in the Office Action, the claimed invention would not result.

Furthermore, persons of ordinary skill in the art who read Himmelstein for all it contained at the time the invention was made would have been deterred from modifying Himmelstein as proposed in the Office Action, as also discussed above with respect to the rejection of claim 1.

Finally, the modification of Himmelstein proposed by the Office Action renders Himmelstein unsatisfactory for its intended purpose of deferring adverse tax consequences and the creation of taxable events, and ought to be withdrawn, as also discussed above with respect to the rejection of claim 1. Claims 4, 6, 13, and 15 are submitted to be allowable, for at least those reasons discussed above with respect to the rejection of claim 1. Withdrawal of the rejection of claims 4, 6, 13, and 15 is earnestly solicited.

**Conclusion:**

Accordingly, in view of the reasons given above, it is submitted that all of claims 1-18 and 21 are allowable over the cited references. The claims are therefore in a condition suitable for allowance. An early Notice of Allowance is requested.

If any further fees, other than and except for the issue fee, are necessary with respect to this paper, the U.S.P.T.O. is requested to obtain the same from deposit account number 19-3935.

Respectfully submitted,

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